

# Business Outlook

MONEY RATES • PAGE 20

## STRAIGHT TALK

Analyst says N.M. has more problems than most states

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**D**epressing, sobering and dismal. That's literally how members of the state Workforce Development Board recently described the work force challenges facing New Mexico.

In a no-nonsense presentation, Dennis P. Jones, president of the National Center for Higher Education Management Systems of Boulder, Colo., highlighted how the state fares compared to the rest of the country and the challenge that presents to work force experts.

New Mexico:

- Ranks 46th in high school graduation rates;
- Ranks 46th in awarding bachelor's degrees;
- Ranks 45th in percent of able-bodied people actually working;
- Ranks 45th for 25- to 34-year-olds with any kind of post-secondary education;
- Will lose the most people per capita with college educations by 2020;

### N.M. WORK FORCE CHALLENGES

A national work force expert and local officials recently presented a blunt assessment of the shortcomings of the state's work force:

Report Card



New Mexico:

Ranks 46th in high school graduation rates

Ranks 46th in awarding bachelor's degrees

Ranks 45th in percent of people participating in the work force

Ranks 45th for 25 to 34-year-olds with any kind of post-secondary education

Will lose the most people with college educations by 2020

Has seen personal income **decline** during the last 20 years

Pays **less** than the U.S. average for every education level and in every industry except mining, resulting in more working poor than any other state on a per capita basis.

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# STRAIGHT TALK

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## Chicken and egg

"New Mexico has a chicken-and-egg problem," Jones told the board last month. "There's a need for a trained work force to support development, but it's hard to encourage people to get trained if there are no jobs. They don't see the economic benefit at the end of the education process."

Factors contributing to the low numbers include high poverty levels, a government-based economy and demographic changes.

"This is a state that by all measures is a poor state," Jones said.

Income levels by county varied from \$9,872 to \$34,646 in 1999.

The percent of children living in poverty varied greatly from county to county also, from 2.6 percent to 48.9 percent in 1999, he said.

Government is the state's largest employer here, unlike in other states. And New Mexico has very high rankings for number of federal research and university jobs and for numbers of science and engineering students.

"The problem New Mexico has is all of these are located in big federal installations, most of which are not good at putting things into the consumer market," Jones said. "The capacity to use these very large intellectual assets in development is much more restricted here than in other states."

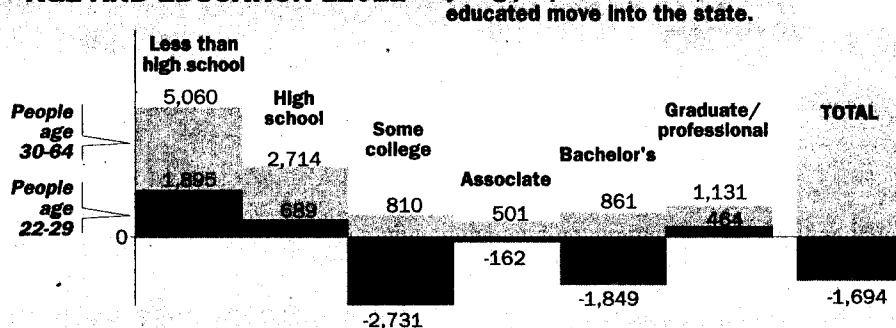
## Degrees outbound

The state's changing demographics are also a work force concern.

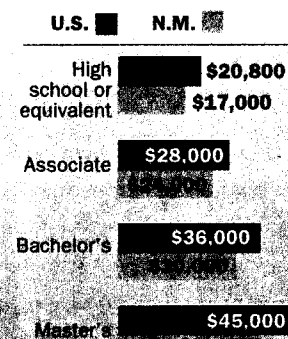
A large number of people ages 22 to 29 with college degrees are leaving and people in that age group coming into the state have less education. "People coming in are bartenders, waitresses, construction trades workers, among others," he said.

The state's also losing people 30 to 64 years of age, many of

## NEW MEXICO MIGRATION BY AGE AND EDUCATION LEVEL

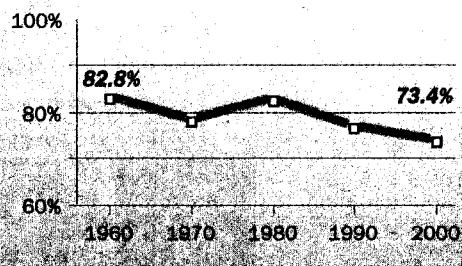


## MEDIAN EARNINGS BY DEGREE LEVEL



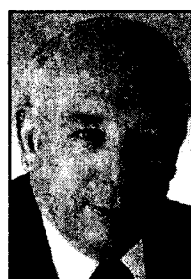
## NEW MEXICO'S PER CAPITA PERSONAL INCOME AS PERCENT OF U.S. AVERAGE

New Mexico's per capita income has been declining since 1960.



Source: U.S. Census Bureau, 2000 Census, courtesy of National Center for Higher Education Management Systems.

CAROL COOPERRIDER/JOURNAL



**JONES:** Paints a sobering picture of N.M.'s situation



**FULLERTON:** "Profound information"



**COLE:** Urges fixing dropout rate first

them computer scientists, engineers and other highly educated people.

"In those professions, it's not an education issue — it's a jobs issue," he said. "Instead of saying, 'Build it and they will come,' in New Mexico's it's more like 'Build them here and they will bolt.'"

There are no "silver bullets" to solve the state's work force problems, but the business community can play a very large role, he said.

For example, it can send a signal to students just getting

their first jobs that school matters by providing study time or attaching incentives to staying in school and getting good grades.

"There's a way to use employment to pull on education," he said. "If there isn't a pull in the marketplace with job opportunities, students wake up to that very fast."

## Fewer programs

The state also should focus on creating a more

entrepreneurial environment rather than creating more government programs.

"New Mexico has a history of creating programs — you identify a problem, put someone in charge and create a program," he said. "You get piecemeal progress that way."

Reese Fullerton, executive director of the new Office of Workforce Training and Development, called Jones' presentation "profound information."

"It's information we can build on," he said. "We are a very entrepreneurial population and we haven't tapped into that strength."

Terri Cole, chairwoman of the work force board and president of the Greater Albuquerque chamber of Commerce, said the presentation was "sobering."

The high school dropout rate should be the first problem targeted, she said.

"It's an enormous challenge for our future competitiveness in New Mexico, and we have just got to fix this problem."

The board is working with Pennsylvania consulting firm Public Works on a report of present and future labor skills and job needs. The board will then recommend how to coordinate training money and programs to meet those needs.

"We hope government agencies and educational institutions will align their resources and curriculum to the document so we are all working on the same page in creating education and training to meet the job demand," Cole said.

## Apathy

One business owner said the biggest needs of workers are basic education, life skills and a feeling that they can succeed in society.

John Onstad, owner of Hubbell Electro Mechanical in Santa Fe, is also one of the founders of nonprofit Educate New Mexico, which provides scholarships to low- and medium-income families for their children.

Public schools need competition to improve and they lack trades training programs, he said.

He estimates 19 out of 20 people who apply for work at his company cannot do seventh-grade math. Those he hires seem to have "a big struggle with life skills, like showing up on time five days a week."

"A lot of people think their lives are at a dead end and they act accordingly," he said.

He attributes the apathy to failure in the school system first.

"If you are in an eighth-grade class and have fifth-grade math skills, you will have an inferiority complex," he said. "They may pass you, but when a kid comes through that system, they are not getting an education; they are beat down and never feel part of the system."

There is not much small-business people can do to compensate for a worker's poor education, he added.

"If an 18- or 20-year-old comes in with a sixth-grade education, I don't know how I, as a small employer, can do much more than say, 'Here's a shovel — next week I'll give you a slide rule.' I can't afford to subsidize their education if my competitor across the street isn't doing it."